

August 13, 2007

The regular meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 6:04 p.m. by Board President, Roger Case, M.D. Present were Commissioner Case, Commissioner Schoenknecht, Commissioner Miller and Commissioner Saugen. Chief Executive Officer, Scott Rhine, Chief Operating Officer, Tom Tomasino, Chief Financial Officer, Doug Bishop, Chief of Staff, Dr. Chris Bibby, Dale Roundy, Esq., Judy Moore, Ron Wallin, Robert McMann, Bert Speir, Rick Becker/TriWest, Mary Pierzchala and Paul Boring, reporter for the Whidbey News Times were also present.

President Case asked if there were any points of order to discuss of which there were none.

Minute Approval

Minutes from the July 9, 2007 regular Board meeting approved as presented in a motion by Commissioner Saugen, seconded by Commissioner Schoenknecht. Motion carried.

Public Questions or Comments

There were none.

Quality and Patient Safety

A. Mr. Rhine reported that the Institute for Healthcare Improvement (IHI) helps accelerate change by cultivating promising concepts for improving patient care and turning those ideas into action. As a further result of the Patient Safety Summit that several attended, an adhoc committee meeting was held with President Case, Dr. Lee Roof and representatives of the Board's Quality Improvement Committee. The Dashboard Report currently being distributed to Commissioners and hospital staff was discussed, as well as which "big dots" should be currently monitored. These recommendations were reviewed. Commissioner Saugen likes the idea of a patient story being told by the patient himself or herself, helping us all to learn from these stories, and discuss ways to improve. Mr. Rhine noted that the challenge is to find patients who are willing to share their story in a public Board meeting. A series of articles on quality that are not time sensitive, will periodically be in the local newspaper, with Arlene Johnson, Director of Quality Review to work on these with reporter, Paul Boring. These articles will include patient experiences here and include quotes from patients.

There was discussion about community members on hospital committees. It was noted that experiences with current community members on committees have been positive. It is also recommended that the Board President be a standing member on the Board's Quality Improvement Committee, and the Board Secretary be a standing member on the Board's Finance Committee. The other commissioner member on each of these committees will rotate allowing all Board members an opportunity to have more exposure to both quality improvement and patient safety and hospital finance. President Case will send out a matrix for rotating and standing Board attendance on the five committees that Board members attend.

There was discussion about Commissioners having a set amount of education days required each year. Mr. Rhine noted that there are some national meetings/education worthwhile for Commissioners and Administration to attend, adding value through networking. Commissioners felt medical staff participation was an important part of their education, and the suggestion was made to have medical staff speakers for education. Once topic suggested was the hospitalist program – how it benefits patients and physicians and provide understanding of the hospitalist role. The peer review process was also mentioned as a topic. Mr. Rhine and Dr. Bibby will develop a schedule for this education.

B. Scott Rhine, CEO, reviewed patient satisfaction results for the last quarter of 2006 and the first quarter of 2007 from Press Ganey. Patient satisfaction scores looked very good with Whidbey General patients rating the hospital overall at the 91st percentile of all Press Ganey hospitals nationwide for the first quarter of 2007. (In other words the hospital ranks in the top 10% of hospitals nationwide for patient satisfaction as measured by Press Ganey – this includes over 1600 hospitals of all sizes and complexity). Administration receives these results quarterly and will share them with the Board on a quarterly basis.

Medical Staff Report

Dr. Bibby, Chief of Staff, presented revisions to the medical staff bylaws and rules and regulations regarding changes to medical staff status under qualifications, prerogatives and responsibilities. After review, Commissioner Miller made a motion, seconded by Commissioner Saugen to approve these changes as presented. Motion carried.

Individual Items

A. Future Healthcare Planning with the Naval Hospital

Mr. Rhine expressed appreciation to Capt Chinn and his staff at the Naval Hospital for being forthcoming on the changes to be implemented for the Emergency Room at the Naval Hospital effective October 1, 2007. The community has a lot of questions about the changes and how it will impact their care and what it means for Whidbey General Hospital. Dr. Bibby noted that Whidbey General Hospital's medical staff does have concerns about both the inpatient and outpatient side of this change. He stressed that they will strive to work together, and noted the importance of having our Emergency Room staffed properly at night when Naval Hospital urgent care is closed. Mr. Rhine stated that he will be meeting again with Capt Chinn, and that we feel we have a good working relationship with the Navy and can work together to resolve issues. Overall, he felt the change would help Navy patients to receive definitive care sooner, especially when one considers the time in transfer from facility to facility.

B. Recommendations for Contracting TriCare

Mr. Rhine reported that the Finance Committee is recommending to the Board of Commissioners that a letter be sent to TriCare representatives and appropriate legislators detailing our need for increased reimbursement and making a case for cost based reimbursement. A draft of this letter was presented to the Board for review (see attached). Administration has met with Navy hospital leadership and Regence Blue Shield representatives to emphatically reiterate that the hospital will not be able to continue to see health plan patients without a competitive rate increase. We have received copies of letters sent to TriCare decision-makers from local and regional Navy leadership encouraging TriCare to increase reimbursement and consider paying rural critical access hospitals the same amount paid by Medicare. Congressman Larsen has been in contact with us, and has also toured the Navy Hospital. Doug Bishop, Chief Financial Officer, reported that we receive 39 cents on the \$1.00 from TriCare, which is currently the hospital's lowest payor, and represents 7% of the hospital's business. Rick Becker, TriWest representative, noted that this is a nationwide problem with the TriCare program. Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve sending the proposed letter to TriCare representatives and appropriate legislators. Motion carried.

C. Planning for Future Bond Issue to Support Medical/Surgical Services and Other Patient Service Areas

Doug Bishop, CFO, talked about election dates, noting that original plans were to run the bond levy in the fall of 2008. With rising interest and construction rates, consideration may want to be given to moving this date earlier in the year to May of 2008. Mr. Bishop was advised by Suzanne Sinclair, County Auditor, that we must file by March 28, 2008 if we intend to put this measure on the May, 2008 ballot. Mr. Bishop stated that it is too early to know what the levy amount will be. The project will hopefully start in 2009. Talking points for the Board will be developed as the master plan is completed.

D. South Whidbey Health Care Services Site Considerations

Scott Rhine, CEO reported that the Building and Strategic Planning Committee met tonight before the Board meeting. The proposal from Goosefoot for the property for the South Whidbey Healthcare Services building was reviewed. The proposed ground lease for just over six acres is over \$9,000 per month, part of which would be used to pay for property used by other community services. A zoning interpretation letter has not been received from the County. Some members of this committee do not favor a ground lease. As reviewed by the committee tonight, it was felt that the terms are not acceptable and the committee is recommending not to do the South Whidbey Healthcare project on the Goosefoot property. The committee recommends that hospital attorney, Dale Roundy draft a purchase and sale agreement for another property that has been under consideration. Regarding the financing for this project, it was reported that bond financing will not be an option, and that we work with a developer and lease the building with an option to purchase at a later date. There was

consensus by the Board to go forward with the project as outlined by the Building and Strategic Planning Committee and Administration.

Board Items

Annual Leaders Conference – Proposed Date Friday, October 26, 2007

After discussion, it was determined that the Leaders Conference would be held all day on Friday, October 19, 2007.

Staff and Status Reports from Administration

A. Critical Access Hospital Report – Tom Tomasino, Chief Operating Officer, reported that there have been 25 patients diverted through July, 2007, mostly for acuity. Census has been higher this year. It was noted that a stable hospitalist program should lower diverts with more timely discharges.

B. Dashboard and 100 Day Objective Reports – Commissioner Saugen expressed concern for the low percentage of completed staff evaluations. Tom Tomasino stated that a plan and timeline to improve this percentage is in progress.

Mr. Rhine will email the 100 day objectives to Board members.

Consent Agenda Items:

A. Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve the items for surplus as presented. Motion carried.

B. After review and discussion, Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve the write offs as presented in the amount of \$373,407.71. Motion carried.

C. Vouchers audited and certified by the auditing officer as required by RCW 40.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board. Commissioner Miller made a motion, seconded by Commissioner Saugen to approve vouchers #106832, #106889 in the total amount of \$8,904.25. Motion carried. Commissioner Zaveruha would have abstained from this motion had he been present at tonight's meeting.

Vouchers audited and certified by the auditing officer as required by RCW 40.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board. Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve vouchers #1104 to #1130, #1066464 to #107293, excluding #106832, and #106889 in the total amount of \$4,568,952.07. Motion carried with all commissioners present voting.

At approximately 8:25 p.m., there being no further regular business, the Board President announced that the Board would be meeting in Executive Session for approximately 20 minutes to discuss personnel evaluation and performance as authorized by (RCW 42.30.110(g)). The Board took no action during the Executive Session and came out of Executive Session at 9:00 p.m.

Having returned to the regular open meeting setting, the Board President, Roger Case, advised that he will meet with Scott Rhine to discuss contractual terms and compensation for the following year and then present a proposal for consideration by the Commissioners at the next regular meeting.

There was no other business to be considered by the Board and the meeting adjourned at 9:05 p.m.